ANNUAL FINANCIAL REPORT

of the

City of Haslet, Texas

For the Year Ended September 30, 2023

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City of Haslet, Texas

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INDEPENDENT AUDITOR'S REPORT

To the City Council of the
City of Haslet, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Haslet, Texas (the City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Haslet, Texas, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and TMRS pension and OPEB information, on pages 5-10 and 57–65 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements on pages 69-75 and 81, and the discretely presented component unit fund financial statements on pages 76-80 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Tom Bean, Texas
May 20, 2024

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As management of the City of Haslet, Texas (the "City"), we offer readers of the City of Haslet's financial statements this narrative overview and analysis of the financial activities of the City of Haslet, Texas for the year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

- Total net position for the City of Haslet at the close of FY23 is $73,831,037. The unrestricted net position at the close of FY23 is $28,070,117 and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by $6,770,752 (10%) during fiscal year 2023.
- The City's governmental funds reported combined ending fund balances of $23,356,564. The fund balances increased by $8,412,278 (56%). $14,374,779 is unassigned and available for spending at the City's discretion. The General Fund's unassigned fund balance of $10,916,104 is equivalent to 192% ($10,916,104/ $5,671,161) of total 2023 General Fund expenditures, compared to 97% in 2022.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and Statement of Activities. These provide information about the activities of the City as a whole and present a long-term view of the City's financial condition. They reflect the flow of total economic resources in a manner similar to the financial reports of a private-sector business.

Fund financial statements report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. Governmental fund statements tell how services were financed in the short term, as well as what resources remain for future spending. They reflect the flow of current financial resources and supply the basis for funding requests and appropriations from the State.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosures for the government-wide statements and the fund financial statements.

Reporting the City as a Whole – Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities

Government-wide financial statements provide an analysis of the City's overall financial condition and operation. The primary objective of these statements is to show whether the City's financial condition has improved or deteriorated because of the year's activities.

The Statement of Net Position includes all the City's assets, deferred inflows of resources, deferred outflows of resources, and liabilities while the Statement of Activities includes all the revenue and expenses generated by the City's operations during the year. Government-wide statements utilize the accrual basis of accounting, which is the same method used by most private-sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

The City's revenue is divided into the following categories: 1) charges for services, 2) operating grants and contributions, 3) capital grants and contributions, and 4) general revenues not associated with any specific program function. All of the City's assets are reported whether they serve the current or future years. Liabilities are also reported regardless of whether they must be paid in the current or future years.

These two statements report the City's net position and change in them. The City's net position provides one measure of the City's financial health or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the City however, non-financial factors should also be considered, such as changes in the City's request for services from citizens and the condition of the City's facilities.

The Statement of Net Position and The Statement of Activities report two kinds of activities, as well as one component unit:

Governmental Type Activities – City services such as police, fire protection, municipal court, parks, street maintenance, and city administration are reported here. City property taxes and charges for services finance most of these activities.

Business-Type Activities - The City uses a proprietary (business-type) fund to account for its water, sewer, and sanitation operations. The services are supported by monthly charges to citizens.

Discretely Presented Component Unit – The Haslet Economic Development Corporation (Type B) is reported in a separate column since it meets the requirements for discrete presentation in the financial statements.

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about each City fund. The City's three kinds of funds – governmental, proprietary, and fiduciary – use different accounting approaches.

Governmental Funds – The City reports most of its basic services in governmental funds. Governmental funds use the modified accrual basis of accounting (a method that measures the receipt and disbursement of cash and other financial assets that can be readily converted to cash) and they report balances that are available for future spending. Governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. We describe the accounting differences between governmental activities, which are reported in the Statement of Net Position and the Statement of Activities and governmental funds in the reconciliation schedules.

Proprietary Funds – The City uses one proprietary (business-type) fund to account for its water, sewer, and sanitation operations. The full-accrual basis of accounting is used for all proprietary-type funds.

Fiduciary Funds – The City uses fiduciary funds to account for transactions of the Public Improvement Districts (PID). The full-accrual basis of accounting is used for these funds.

The table below provides a summary of the City's net position on September 30, 2023 and 2022.

Summary of Net Position

	2023			2022		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	$ 25,420,989	$25,424,558	$50,845,547	$ 17,787,517	$10,419,820	$28,207,337
Capital assets, net	34,582,886	18,394,816	52,977,702	33,863,710	17,856,541	51,720,251
Total Assets	60,003,875	43,819,374	103,823,249	51,651,227	28,276,361	79,927,588
Deferred Outflows of Resources	497,015	96,090	593,105	230,858	27,086	257,944
Other liabilities	2,523,772	2,384,204	4,907,976	2,488,080	1,274,374	3,762,454
Long-term liabilities	9,149,161	16,424,425	25,573,586	4,722,944	4,269,438	8,992,382
Total Liabilities	11,672,933	18,808,629	30,481,562	7,211,024	5,543,812	12,754,836
Deferred Inflows of Resources	79,348	24,407	103,755	298,038	72,374	370,412
Net Position:						
Net investment in capital assets	29,975,641	13,884,521	43,860,162	29,316,486	13,601,029	42,917,515
Restricted	6,232,612	-	6,232,612	1,296,085	-	1,296,085
Unrestricted	12,540,356	11,197,907	23,738,263	13,760,452	9,086,232	22,846,684
Total Net Position	$ 48,748,609	$25,082,428	$73,831,037	$ 44,373,023	$22,687,261	$67,060,284

The table below provides a summary of the changes in the City's net position for the years ended September 30, 2023 and 2022.

Summary of Changes in Net Position

	For the Year Ended September 30, 2023			For the Year Ended September 30, 2022		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	$ 2,199,452	$ 8,156,872	$10,356,324	$ 2,950,520	$ 7,055,736	$10,006,256
Operating grants and contributions	633,669	35,000	668,669	478,019	35,000	513,019
Capital grants and contributions	17,690	-	17,690	3,643,180	86,344	3,729,524
General revenues:						
Property taxes	3,570,729	-	3,570,729	2,518,125	-	2,518,125
Sales taxes	4,244,594	-	4,244,594	5,017,169	-	5,017,169
Franchise tax	430,220	-	430,220	318,556	-	318,556
Hotel/motel taxes	29,058	-	29,058	31,068	-	31,068
Unrestricted investment earnings	695,495	-	695,495	107,177	-	107,177
Miscellaneous revenue (expense)	93,307	4,509	97,816	227,304	47,454	274,758
Total Revenues	11,914,214	8,196,381	20,110,595	15,291,118	7,224,534	22,515,652
Expenses						
General government	895,989	-	895,989	585,946	-	585,946
Streets and parks	1,196,676	-	1,196,676	1,101,102	-	1,101,102
Court	192,411	-	192,411	185,844	-	185,844
Library	350,838	-	350,838	342,574	-	342,574
Public safety	2,811,475	-	2,811,475	1,931,491	-	1,931,491
Finance and planning	560,119	-	560,119	690,032	-	690,032
Economic development	47,157	-	47,157	91,790	-	91,790
Public works	431,822	-	431,822	742,038	-	742,038
Non-departmental	624,208	-	624,208	273,277	-	273,277
Interest on long-term debt	343,795	-	343,795	186,745	-	186,745
Water and sewer operations	-	5,885,353	5,885,353	-	4,528,789	4,528,789
Total Expenses	7,454,490	5,885,353	13,339,843	6,130,839	4,528,789	10,659,628
Change in Net Position Before Transfers	4,459,724	2,311,028	6,770,752	9,160,279	2,695,745	11,856,024
Transfers	(84,139)	84,139	-	(35,000)	35,000	-
Total	(84,139)	84,139	-	(35,000)	35,000	-
Change in Net Position	4,375,585	2,395,167	6,770,752	9,125,279	2,730,745	11,856,024
Beginning Net Position	44,373,024	22,687,261	67,060,285	35,247,744	19,956,516	55,204,260
Ending Net Position	$ 48,748,609	$25,082,428	$73,831,037	$ 44,373,023	$22,687,261	$67,060,284

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position serves as one useful indicator of a government's financial position. In the case of the City, net position totaled $73,831,037 at the close of FY23. Net assets increased from the prior year's balance by $6,770,752 (10%) during fiscal year 2023.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – increased by $891,579 (4%) during 2023.

Fifty-nine percent (59%) ($43,860,162/$73,831,037) of the City's net position is invested in capital assets; land, buildings, streets, vehicles, electronic equipment, and infrastructure, less any outstanding debt used to acquire these assets. The City uses capital assets to provide services to the citizens they serve; consequently, these assets are not available for future spending.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the government's net resources available for spending at the end of the period.

As the City completed the year 2023, its governmental funds, as presented in the balance sheet, reported a combined fund balance of $23,356,564 compared to $14,944,286 in FY22. This represents an increase of $8,412,278. Approximately 62% ($14,374,779/$23,356,564) of this total amount is the unassigned fund balance, which is available for spending at the City's discretion. The remaining fund balances are restricted, assigned, or committed as further explained in the notes to the financial statements.

The General Fund is the chief operating fund of the City. At the end of the current period, the unassigned fund balance of the General Fund totaled $10,916,104 while the total fund balance was $10,964,190. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total General Fund expenditures. The unassigned fund balance represents 192% ($10,916,104/$5,671,161) of total FY23 General Fund expenditures.

Revenues for the City's General Fund (including other financing sources) were $8,912,578, while total expenditures (including other financing uses) were $8,439,736. The General Fund had a net increase in fund balance of $472,842.

Revenues for the City's proprietary fund (including nonoperating revenues) were $8,196,381, while total expenses were $5,885,353. After including transfers in and out, the total Water and Sewer Fund net position increased by $2,395,167. The current year's increase was largely due to an increase in water service revenue.

Other Analysis of the City's Funds

Budget versus Actual for the General Fund:

For the required supplemental information of budget versus actual report shown on, the statement reflects a positive budget variance of $5,309,199. One contributing factor was that the City budgeted for the expenditure of all proceeds from the Series 2022 Combination Tax and Revenue Bonds; however, they were not spent as of the year end.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment (net of depreciation) in capital assets for all activities as of September 30, 2023, is $52,977,702 compared to $51,720,251 at September 30, 2022. This is a net increase in capital assets of $1,257,451 and is mostly attributable to a $1,451,384 CIP addition in governmental activities in fiscal year 2023.

Long-term Debt

At September 30, 2023, the City had total bonded debt and contractual obligations outstanding of $24,409,849. This is an increase of $15,955,849 from the prior year. Principal payments on bonds and contractual obligations totaled $648,894 and all payments were made when due. Additionally, the City issued the Series 2022 Combination Tax and Revenue Bonds in the original principal amount of $16,075,000 (split between governmental and business type activities).

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The 2023-2024 budget reflects the positive financial condition of the City, and the ongoing mission of the Haslet City Council to provide cost-effect programs and responsive services to enhance the quality of life in Haslet. The City accomplishes this through the utilization of sound fiscal policy directives and a conservative approach in revenue and expenditure forecasting.

Sales tax revenue and property tax revenue are the two largest revenue sources for the City's governmental funds. Property taxes are expected to increase by 3.499% and sales taxes are budgeted 4.9% over the budget for 2022-2023. The increase in sales tax is due to the increase in residential construction in Haslet. Due to the nature of the volatility in sales tax receipts, the City has been conservative in projecting sales tax revenue and actual receipts have generally met expectations. New home construction starts will continue to add to the sales tax revenue in 2023-24. The City will also see increases in other revenues related to development in the city such as permits and inspection fees.

Each year, a major objective of the budget process is to maximize revenue, focus on identifying cost-savings measures and to cut expenses however possible. The non-recurring capital requests are transferred to a Capital Projects Fund, which is funded by General Fund excess revenues over expenditures at year-end. Operating expenditures in the General Fund are expected to increase approximately 21.47% over the 2022-2023 adopted budget. A five percent merit increase is proposed for City employees and additional personnel were authorized for the fire department. The Water/Wastewater Fund budget anticipates an increase in expenditures of approximately 41%.

This is due primarily to the expected increase in water purchases and sewer treatment expenses and increases for personnel. The City has a policy to pass through all, or part of the additional charges originating from the City's wholesale contracts with the City of Fort Worth and the Trinity River Authority.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Haslet, Finance Director, 101 Main Street, Haslet, Texas 76052.

BASIC FINANCIAL STATEMENTS

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City of Haslet, Texas

STATEMENT OF NET POSITION

As of September 30, 2023

	Primary Government			Component Unit - CEDC Type B
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and investments	$ 24,282,230	$ 23,206,517	$ 47,488,747	$ 2,237,264
Receivables (net of allowances)	1,092,140	1,248,178	2,340,318	250,195
Inventories	-	170,891	170,891	778,287
Prepaid items	46,619	-	46,619	-
Restricted assets:				
Cash and cash equivalents	-	798,972	798,972	-
Capital assets (net of acc. depreciation)				
Non-depreciable	20,234,136	928,111	21,162,247	6,072,031
Net depreciable capital assets	14,348,750	17,466,705	31,815,455	-
Total Assets	60,003,875	43,819,374	103,823,249	9,337,777
Deferred Outflows of Resources				
Deferred outflows - OPEB	4,385	1,077	5,462	-
Deferred outflows - pension	386,901	95,013	481,914	-
Deferred charges on refunding	105,729	-	105,729	-
Total Deferred Outflows of Resources	497,015	96,090	593,105	-
Liabilities				
Accounts payable	501,131	794,641	1,295,772	220
Escrow payable	749,000	487,518	1,236,518	
Accrued liabilities	130,389	453,872	584,261	12,234
Due to other governments	210,358	-	210,358	-
Customer deposits	-	235,704	235,704	2,250
Interest payable	163,919	-	163,919	6,006
Compensated absences	61,214	23,911	85,125	-
Unearned revenue	354,362	-	354,362	-
Noncurrent liabilities:				
Total OPEB liability	39,282	9,647	48,929	-
Net pension liability	320,926	78,811	399,737	-
Debt due within one year	353,399	388,558	741,957	153,556
Debt due in more than one year	8,788,953	16,335,967	25,124,920	3,531,908
Total Liabilities	11,672,933	18,808,629	30,481,562	3,706,174
Deferred Inflows of Resources				
Deferred charges on refunding	-	19,792	19,792	-
Deferred inflows - OPEB	18,797	4,615	23,412	-
Deferred lease inflows	60,551	-	60,551	-
Total Deferred Inflows of Resources	79,348	24,407	103,755	-
Net Position				
Net investment in capital assets	29,975,641	13,884,521	43,860,162	2,386,567
Restricted	6,232,612	-	6,232,612	-
Unrestricted	12,540,356	11,197,907	23,738,263	3,245,036
Total Net Position	$ 48,748,609	$ 25,082,428	$ 73,831,037	$ 5,631,603

The accompanying notes are an integral part of this statement.

City of Haslet, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2023

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	$ 895,989	$ 1,714,893	$ 633,669	$ 17,690
Streets and parks	1,196,676	265,167	-	-
Court	192,411	74,892	-	-
Library	350,838	-	-	-
Public safety	2,811,475	144,500	-	-
Finance and planning	560,119	-	-	-
Economic development	47,157	-	-	-
Public works	431,822	-	-	-
Non-departmental	624,208	-	-	-
Interest and charges on long-term debt	343,795	-	-	-
Total governmental activities	7,454,490	2,199,452	633,669	17,690
Business-type activities:				
Water and sewer	5,885,353	8,156,872	35,000	-
Total business-type activities	5,885,353	8,156,872	35,000	-
Total primary government	$ 13,339,843	$ 10,356,324	$ 668,669	$ 17,690
Component unit:				
Community & economic development	228,259	-	-	-
Total component unit	$ 228,259	$ -	$ -	$ -

General Revenues and Transfers:

Property taxes

Sales taxes

Franchise taxes

Hotel/motel taxes

Unrestricted investment earnings

Other revenue

Transfers in (out)

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	CEDC (Type B)
$ 1,470,263		$ 1,470,263	
(931,509)		(931,509)	
(117,519)		(117,519)	
(350,838)		(350,838)	
(2,666,975)		(2,666,975)	
(560,119)		(560,119)	
(47,157)		(47,157)	
(431,822)		(431,822)	
(624,208)		(624,208)	
(343,795)		(343,795)	
(4,603,679)		(4,603,679)	
-	$ 2,306,519	2,306,519	
-	2,306,519	2,306,519	
(4,603,679)	2,306,519	(2,297,160)	
			$ (228,259)
			$ (228,259)
3,570,729	-	3,570,729	-
4,244,594	-	4,244,594	1,414,101
430,220	-	430,220	-
29,058	-	29,058	-
695,495	-	695,495	43,383
93,307	4,509	97,816	35,230
(84,139)	84,139	-	-
8,979,264	88,648	9,067,912	1,492,714
4,375,585	2,395,167	6,770,752	1,264,455
44,373,024	22,687,261	67,060,285	4,367,148
$ 48,748,609	$ 25,082,428	$ 73,831,037	$ 5,631,603

City of Haslet, Texas

BALANCE SHEET

GOVERNMENTAL FUNDS

As of September 30, 2023

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	$ 11,661,002	$ 3,484,876	$ 4,755,297	$ 4,381,055	$ 24,282,230
Receivables: (net)					
Property taxes	37,494	-	9,539	-	47,033
Sales taxes	500,390	-	-	250,196	750,586
Court	208,928	-	-	-	208,928
Leases	62,961	-	-	-	62,961
Other	22,369	-	-	263	22,632
Prepaid items	46,619	-	-	-	46,619
Total Assets	$ 12,539,763	$ 3,484,876	$ 4,764,836	$ 4,631,514	$ 25,420,989
Liabilities					
Accounts payable	$ 376,053	$ 25,206	$ 97,525	$ 2,347	$ 501,131
Escrow payable	749,000	-	-	-	749,000
Accrued liabilities	130,389	-	-	-	130,389
Unearned revenue - federal grant	-	-	-	354,362	354,362
Due to other governments	210,358	-	-	-	210,358
Total Liabilities	1,465,800	25,206	97,525	356,709	1,945,240
Deferred Inflows of Resources					
Unearned revenue due to property tax and other	49,222	-	8,862	550	58,634
Leases	60,551	-	-	-	60,551
Total Deferred Inflows of Resources	109,773	-	8,862	550	119,185
Fund Balances					
Nonspendable	46,619	-	-	-	46,619
Restricted	-	-	4,658,449	1,574,163	6,232,612
Assigned	1,467	-	-	-	1,467
Committed	-	-	-	2,701,087	2,701,087
Unassigned	10,916,104	3,459,670	-	(995)	14,374,779
Total Fund Balances	10,964,190	3,459,670	4,658,449	4,274,255	23,356,564
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 12,539,763	$ 3,484,876	$ 4,764,836	$ 4,631,514	$ 25,420,989

The accompanying notes are an integral part of this statement.

City of Haslet, Texas

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
As of September 30, 2023

Total Fund Balances - Governmental Funds Balance Sheet	$ 23,356,564
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	34,582,886
Property taxes receivable and court fines unavailable to pay for current period expenditures are deferred in the funds.	58,634
Payables for bond and certificates of obligation principal, which are not due in the current period, are not reported in the funds.	(9,142,352)
Payables for bond interest, which are not due in the current period, are not reported in the funds.	(163,919)
Payables for compensated absences, which are not due in the current period, are not reported in the funds.	(61,214)
Deferred bond refunding losses are not reported in the funds.	105,729
The City's proportionate share of the OPEB liability and net pension liability are not reported in the funds.	(360,208)
Deferred resource inflows related to the pension and OPEB plans are not reported in the funds.	(18,797)
Deferred resource outflows related to the pension and OPEB plans are not reported in the funds.	391,286
Net Position of Governmental Activities	$ 48,748,609

The accompanying notes are an integral part of this statement.

City of Haslet, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2023

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes:					
Sales taxes	$ 2,830,494	$ -	$ -	$ 1,414,100	$ 4,244,594
Property taxes, penalties, and interest	3,280,681	-	330,199	-	3,610,880
Franchise taxes	430,220	-	-	-	430,220
Licenses and permits	1,692,710	-	-	-	1,692,710
Intergovernmental	17,690	-	-	-	17,690
Fines	71,693	-	-	3,199	74,892
Interest	337,029	87,216	191,856	79,393	695,494
Other	67,688	-	-	25,619	93,307
Contributions & grants	-	-	-	633,669	633,669
Park development fees	-	-	-	216,469	216,469
Hotel occupancy tax	-	-	-	29,058	29,058
Fire protection	144,500	-	-	-	144,500
Gas royalties	22,183	-	-	-	22,183
Total Revenues	8,894,888	87,216	522,055	2,401,507	11,905,666
Expenditures					
Current:					
Fire	1,502,588	-	-	-	1,502,588
Public safety	995,082	-	-	-	995,082
Administration	562,367	-	-	74,390	636,757
Non-departmental	624,208	-	-	-	624,208
Library	337,213	-	-	8,329	345,542
Public works	327,020	-	-	-	327,020
Finance	296,998	-	-	-	296,998
Parks	210,879	-	-	62,042	272,921
Planning	253,418	-	-	-	253,418
Court	191,777	-	-	634	192,411
Streets	176,735	-	-	-	176,735
City secretary	150,013	-	-	-	150,013
Economic development	42,863	-	-	2,324	45,187
Capital outlays	-	585,411	620,955	737,283	1,943,649
Debt service:					
Principal	-	-	239,000	65,000	304,000
Interest and fiscal charges	-	-	133,689	76,400	210,089
Total Expenditures	5,671,161	585,411	993,644	1,026,402	8,276,618
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,223,727	(498,195)	(471,589)	1,375,105	3,629,048
Other Financing Sources (Uses)					
Bond proceeds	-	-	4,515,468	-	4,515,468
Premium proceeds	-	-	303,201	-	303,201
Proceeds from sale of capital assets	-	48,700	-	-	48,700
Transfers in	17,690	2,487,779	21,000	210,657	2,737,126
Transfers out	(2,768,575)	-	-	(52,690)	(2,821,265)
Total Other Financing Sources (Uses)	(2,750,885)	2,536,479	4,839,669	157,967	4,783,230
Net Change in Fund Balances	472,842	2,038,284	4,368,080	1,533,072	8,412,278
Beginning Fund Balances	10,491,348	1,421,386	290,369	2,741,183	14,944,286
Ending Fund Balances	$ 10,964,190	$ 3,459,670	$ 4,658,449	$ 4,274,255	$ 23,356,564

The accompanying notes are an integral part of this statement.

City of Haslet, Texas

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATE OF ACTIVITIES

For the Year Ended September 30, 2023

Net Change in Fund Balances - Total Governmental Funds	$ 8,412,278
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	1,943,649
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,224,472)
Certain property tax and court revenues are deferred in the funds. This is the change in these amounts.	(40,151)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	304,000
Proceeds from bond issuance is a revenue in the funds but not on the SOA.	(4,818,669)
(Increase) decrease in accrued interest from beginning of period to end of period and amortization of bond premium and discount.	(133,703)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(5,937)
Pension and OPEB expenses relating to GASB 68/75 are recorded in the SOA but not in the funds.	(61,410)
Change in Net Position of Governmental Activities	$ 4,375,585

The accompanying notes are an integral part of this statement.

City of Haslet, Texas

STATEMENT OF NET POSITION
PROPRIETARY FUND
As of September 30, 2023

	Water & Sewer Fund
Assets	
Current Assets:	
Cash and investments	$ 23,206,517
Receivables (net of allowances for uncollectible):	
Accounts	1,246,359
Intergovernmental	1,819
Inventories	170,891
Total Current Assets	24,625,586
Noncurrent Assets:	
Restricted cash and cash equivalents	798,972
Capital assets:	
Non-depreciable	928,111
Net depreciable capital assets	17,466,705
Total Noncurrent Assets	19,193,788
Total Assets	43,819,374
Deferred Outflows of Resources	
Deferred outflows - pension	95,013
Deferred outflows - OPEB	1,077
Total Deferred Outflows of Resources	96,090
Liabilities	
Current Liabilities:	
Accounts payable	794,641
Escrow payable	487,518
Accrued liabilities	453,872
Customer deposits	235,704
Compensated absences	23,911
Current portions of long-term debt	388,558
Total Current Liabilities	2,384,204
Noncurrent Liabilities:	
Bonds and certificates of obligation payable (net)	16,335,967
Net pension liability	78,811
Total OPEB liability	9,647
Total Noncurrent Liabilities	16,424,425
Total Liabilities	18,808,629
Deferred Inflows of Resources	
Deferred charges on refunding	19,792
Deferred inflows - OPEB	4,615
Total Deferred Inflows of Resources	24,407
Net Position	
Net investment in capital assets	13,884,521
Unrestricted	11,197,907
Total Net Position	$ 25,082,428

The accompanying notes are an integral part of this statement.

City of Haslet, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUND

For the Year Ended September 30, 2023

	Water & Sewer Fund
Operating Revenues	
Water service	$ 4,893,804
Sewer service	1,023,803
Connection and impact fees	1,200,305
Solid waste collection	286,976
Penalties and interest	751,984
Total Operating Revenues	8,156,872
Operating Expenses	
Personnel services	566,639
Materials, supplies, and services	370,814
Maintenance	86,848
Purchase of water	1,448,984
Contract services	2,174,074
Utilities	51,586
Depreciation	569,996
Total Operating Expenses	5,268,941
Operating Income (Loss)	2,887,931
Nonoperating Revenues (Expenses)	
Miscellaneous income	4,509
Interest expense	(616,412)
Contributions	35,000
Total Nonoperating Revenues (Expenses)	(576,903)
Income (Loss) Before Transfers	2,311,028
Transfers in (out)	84,139
Total Transfers	84,139
Change in Net Position	2,395,167
Beginning Net Position	22,687,261
Ending Net Position	$ 25,082,428

The accompanying notes are an integral part of this statement.

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City of Haslet, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

For the Year Ended September 30, 2023

	Water & Sewer Fund
Cash Flows from Operating Activities:	
Cash Received from Customers	$ 7,705,169
Cash Payments to Suppliers for Goods and Services	(3,539,637)
Cash Payments to Employees for Services	(552,079)
Net Cash Provided (Used) by Operating Activities	3,613,453
Cash Flows from Non-capital and Related Financing Activities:	
Contributions and Other Non-Operating	39,509
Transfers from Other Funds	84,139
Net Cash Provided (Used) by Non-Capital & Related Financing Activities	123,648
Cash Flows from Capital and Related Financing Activities:	
Proceeds from Bond Issuance	11,559,533
Proceeds from Bond Premium	776,190
Principal and Interest Paid	(869,271)
Acquisition or Construction of Capital Assets	(718,920)
Net Cash Provided (Used) by Capital and Related Financing Activities	10,747,532
Net Increase (decrease) in Cash and Cash Equivalents	14,484,633
Cash and Cash Equivalents at Beginning of the Year	
Unrestricted Cash and Investments	8,650,388
Restricted Cash	870,468
	9,520,856
Cash and Cash Equivalents at End of the Year	
Unrestricted Cash and Investments	23,206,517
Restricted Cash	798,972
	$ 24,005,489
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	2,887,931
Depreciation and Amortization	569,996
Change in Assets and Liabilities:	
Decrease (Increase) in Receivables	(451,703)
Decrease (Increase) in Inventories	(123,317)
Decrease (Increase) in Deferred Outflows of Resources	(69,004)
Increase (Decrease) in Accounts Payable	787,514
Increase (Decrease) in Deferred Inflows of Resources	(45,883)
Increase (Decrease) in Accrued Liabilities	(83,143)
Increase (Decrease) Customer Deposits	11,615
Increase (Decrease) Net Pension Liability	133,726
Increase (Decrease) Total OPEB Liability	(4,279)
Total Adjustments	725,522
Net Cash Provided (Used) by Operating Activities	$ 3,613,453

The accompanying notes are an integral part of this statement.

City of Haslet, Texas

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY AGENCY FUNDS

HASLET PUBLIC IMPROVEMENT DISTRICTS (PID)

As of September 30, 2023

	PID #3	PID #4	PID #5
Assets			
Restricted cash and cash equivalents	$ 790,620	$ 75,905	$ 1,383,853
Total Assets	790,620	75,905	1,383,853
Liabilities			
Accounts payable	10,058	1,800	-
Long-term debt	-	-	13,347,802
Total Liabilities	10,058	1,800	13,347,802
Net Position			
Restricted for public improvement district	780,562	74,105	(11,963,949)
Total Net Position	$ 780,562	$ 74,105	$ (11,963,949)

The accompanying notes are an integral part of this statement.

PID #6	PID #7	PID #8	Total Agency Funds
$ 514,702	$ 40,182	$ 10,174	$ 2,815,436
514,702	40,182	10,174	2,815,436
1,800	5,100	6,877	25,635
-	-	-	13,347,802
1,800	5,100	6,877	13,373,437
512,902	35,082	3,297	(10,558,001)
$ 512,902	$ 35,082	$ 3,297	$ (10,558,001)

City of Haslet, Texas

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY AGENCY FUNDS

HASLET PUBLIC IMPROVEMENT DISTRICTS (PID)

As of September 30, 2023

	PID #3	PID #4	PID #5
Additions			
Assessment revenue	$ 268,878	$ 268,211	$ 1,826,135
Investment earnings	-	-	69,322
Total Additions	268,878	268,211	1,895,457
Deductions			
Payment to developer	-	208,902	2,162,207
Administrative expenses	21,024	11,787	65,777
Interest expenses	-	-	770,830
Total Deductions	21,024	220,689	2,998,814
Change in Net Position	247,854	47,522	(1,103,357)
Beginning Net Position	532,708	26,583	(10,860,592)
Ending Net Position	$ 780,562	$ 74,105	$ (11,963,949)

The accompanying notes are an integral part of this statement.

PID #6	PID #7	PID #8	Total Agency Funds
$ 922,544	$ 848,802	$ 522,203	$ 8,271,181
-	-	-	69,322
922,544	848,802	522,203	8,340,503
454,194	800,879	474,603	7,715,193
12,041	34,933	63,105	208,667
-	-	-	770,830
466,235	835,812	537,708	8,694,690
456,309	12,990	(15,505)	(354,187)
56,593	22,092	18,802	(10,203,814)
$ 512,902	$ 35,082	$ 3,297	$ (10,558,001)

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I. SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Government-wide Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. Governmental activities normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions.

B. Reporting Entity

The City of Haslet, Texas (the City) was incorporated as a Type A general law municipality in 1961 under the provisions of Chapter 11 Title 28; Texas revised civil statutes of 1925. The City operates under a Mayor/Council form of government. The City provides such services as are authorized by the Texas Local Government Code to advance the welfare, health, comfort, safety, and convenience of the City and its inhabitants.

The accounting policies of the City of Haslet, Texas, conform to generally accepted accounting principles issued by the Governmental Accounting Standards Board which is the recognized financial accounting standard-setting body for governmental entities. The notes to the financial statements are an integral part of the City's financial statements.

The City's (primary government) financial statements include its component units. The accompanying basic financial statements comply with the provisions of the GASB Statement No. 14, "The Financial Reporting Entity," in that financial statements include all organizations, activities, functions, and component units for which the City (the "primary government") is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City. Additionally, the primary government may be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board. Accordingly, the City has included the following:

Blended Component Unit

The Haslet Economic Development Corporation (Type A) was created under the law known as the Development Corporation Act of 1979. Type A is governed by a board of directors comprised of members appointed by the City Council. Capital improvement projects undertaken by Type A are for the benefit of the City. Type A may not issue debt without the approval of the City Council. The City must approve changes to Type A's articles of incorporation, may unilaterally terminate Type A, and has residual interest in the net position of Type A. Type A reports its activities using a special revenue fund and it does not issue separate financial statements.

Discretely Presented Component Unit

The Haslet Community and Economic Development Corp. Fund (CEDC) (Type B) was created under the law known as the Development Corporation Act of 1979. Type B is governed by a board of directors comprised of members appointed by the City Council. Capital improvement projects are undertaken by Type B benefit parties external to the City, as well as, for the City. Type B may not issue debt without the approval of the City Council.

The City must approve changes to Type B's articles of incorporation, may unilaterally terminate Type B, and has a residual interest in the net position of Type B. Type B reports its activities as a discretely presented component unit and does not issue separate financial statements.

C. Basis of Presentation – Government-wide

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

> The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> The Capital Projects Fund – accounts for the expenditures related to ongoing governmental capital projects.
>
> The Debt Service Fund – accounts for the long term financing activity of the City's governmental funds.

The City reports the following major enterprise fund:

> The Water and Sewer Fund operates the water distribution system and the wastewater collection system.

The City reports the following Fiduciary Funds:

> The City acts as an agent for the Public Improvement Districts (PID). There are six active PID Agency Funds that account for special assessments and bond proceeds, as applicable, for PID #3 through #8. See Note IV for further discussion of PID #3- #8.

During operations, the City has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

E. Measurement Focus, Basis of Accounting, and Basis of Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict the guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments.

Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, miscellaneous revenue, and interest income.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Fund are charges to customers for sales and services. This fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

F. Budgetary Information, Budget Procedures

The City Council adheres to the following procedures in establishing the budgets reflected in the accompanying basic financial statements:

1. Annual budgets are adopted on the modified accrual basis of accounting for all governmental funds except the Capital Projects Fund. The Capital Projects and CO Capital Projects Funds adopt project length budgets.

2. Between sixty and ninety days prior to the beginning of the fiscal year, the Mayor submits to the City Council a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.

3. Public hearings are conducted, at which time all interested persons' comments concerning the budget are heard.

4. Fifteen days prior to the beginning of the fiscal year, the budget is legally adopted by the City Council enacted through the passage of an ordinance.

5. The Mayor is authorized to transfer budgeted amounts between departments within any fund; however, any revision that increases the total expenditures of any fund must be approved by the City Council. Therefore, the legal level of budgetary control is the fund level.

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in (1) obligations of the United States or its agencies and instrumentalities, excluding mortgage-backed securities; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, excluding mortgage-backed securities; (4) certificates of deposit by state and national banks domiciled in this state that are (A) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or the National Credit Union Share Insurance fund, or its successor, (B) secured obligations that are described by Section 2256.009(a) of the Texas Public Funds Investment Act, including mortgage-backed securities issued by a federal agency or instrumentality, but excluding those mortgage-backed securities of the nature described in Section 2256.009(b) of the Act, (C) secured in any other manner and amount provided by law for deposits of the City; or, (5) eligible local government investment pools which invest in instruments and follow practices allowed by current law as defined in Section 2256.016 of the Texas Public Funds Investment Act; (6) regulated no-load money market mutual funds that are (A) registered with and regulated by the Securities and Exchange Commission; (B) having a dollar-weighted average portfolio of ninety (90) days or less; (C) the investment objectives include the maintenance of a stable net asset value of one dollar ($1.00) per share; and (D) the fund is continuously rated no lower than "AAA" or its equivalent rating by at least one nationally recognized rating service; and (7) repurchase agreements, reverse repurchase agreements, bankers' acceptances and commercial paper, to the extent they are contained in the portfolios of approved public funds investment pools in which the City invests.

Investments maturing within one year of the date of purchase are stated at cost or amortized cost; all other investments are stated at fair value which is based on quoted market prices.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of the interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectible accounts. Water and sewer accounts receivable in excess of 60 days and available customer deposits comprise the allowance for uncollectible accounts.

3. Property taxes

The appraisal of property within the City is the responsibility of the Tarrant and Denton County Appraisal Districts as required by legislation passed by the Texas Legislature. Each Appraisal District is required under such legislation to assess all property within the Appraisal District on the basis of 100% of its appraised value and is prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action.

The City's property tax is levied and recorded as a receivable each October 1, on the assessed value listed as of the prior January 1, for all real and business property located in the City. Taxes are delinquent on February 1 following the October 1 levy date. A statutory lien becomes effective on all property with unpaid taxes as of January 1 of the year following the assessment.

4. Inventories and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, sidewalks, bridges, underground structures and piping, roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Generally, capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated lives:

Buildings	15 – 30 years
Water and sewer system infrastructure	20 – 50 years
Street and storm drainage system infrastructure	10 – 30 years
Furniture and equipment	3 – 10 years

6. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. A deferred outflow of resources is reported for deferred pension and OPEB balances which are amortized over future periods.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category.

Accordingly, the item, unavailable revenue, is reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenues from several sources, including, property taxes, court fines, and special assessments. A deferred inflow of resources is also reported for deferred pension and OPEB balances which are amortized over future periods.

The government reports deferred charges on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred as an outflow or inflow and amortized over the shorter of the life of the refunded or refunding debt.

7. Compensated absences

Vacation

It is the City's policy to permit employees to accumulate earned but unused vacation pay benefits. No liability is reported for unpaid accumulated sick leave. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations and retirements.

Sick Leave

Accumulated sick leave lapses when employees leave the employ of the City and, upon separation from service, no monetary obligation exists. Liabilities for compensated absences are liquidated by the General Fund.

8. Long-term obligations

In the government-wide financial statements, and proprietary fund type fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period.
The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Leases

Lessor

The City is a lessor for noncancellable leases of property. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements related to leases include how the City determines (1.) the discount rate it uses to discount the expected lease receipts to present value, (2.) the lease term, and (3.) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases, unless there is a stated interest rate in the lease.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee, variable payments from the lessee that are fixed in substance or that depend on an index or a rate, residual value guarantee payments from the lessee that are fixed in substance, and any lease incentives that are payable to the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

10. Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

11. Fund balance flow assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balances in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

12. Fund balance policies

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Non-spendable fund balances category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Restricted fund balances are reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. Assigned amounts in the General Fund represent intended uses established by the City Council.

Unassigned fund balances are the residual classification for the General Fund and include all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classifications are used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

13. Proprietary funds operating and non-operating revenues and expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Fund are charges to customers for sales and services. The Water Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

I. Revenues and Expenditures/Expenses

Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

J. Pension and Other Post-Employment Benefits (OPEB)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Information regarding the City's Total Pension Liability and Total OPEB Liability is obtained from the TMRS through reports prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68 Accounting and Financial Reporting for Pensions and GASB No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. At year-end, the carrying amount of the primary government and component unit's financial institution cash deposits was $48,287,719 and the bank balance was $49,172,987. Of this balance, $24,065,819 was secured by federal deposit insurance and collateral (fair value of $24,493,485) pledged by the depository in the City's name and held by the depository's agent. The remaining balance is collateralized by investments, see TexPool disclosure below. The City also had $1,300 of cash on hand at September 30, 2023.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the City's investments were held by the counterparty's agent as of September 30, 2023.

	Carrying Amount	Fair Value	Rating Standard & Poors	Weighted Average Maturity
Primary Government				
Cash	$ 36,772,625			
Investment not subject to categorization:				
Government sponsored investment pool (TexPool)	10,716,122	$ 10,716,122	AAAm	26 days
Restricted government sponsored investment pool (TexPool)	798,972	$ 798,972	AAAm	26 days
	$ 48,287,719			
Discrete Component Unit - EDC Type B				
Cash	$ -			
Investment not subject to categorization:				
Government sponsored investment pool (TexPool)	2,237,264	$ 2,237,264	AAAm	26 days
	$ 2,237,264			

TexPool is an external investment pool operated by the Texas Comptroller of Public Accounts and is not SEC registered. The Texas Interlocal Cooperation Act and the Texas Public Funds Investments Act provide for the creation of public funds investment pools and permit eligible governmental entities to jointly invest their funds in authorized investments. The State Comptroller has established an advisory board composed both of participants in TexPool and of other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure.

B. Receivables/Deferred Revenue

Receivables as of year-end for the City's individual major funds, and nonmajor funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

	Governmental Activities					
	General	Debt Service Fund	Nonmajor Governmental Funds	Total	Business-Type Activities	Component Unit EDC Type B
Property taxes	$ 37,494	$ 9,539	$ -	$ 47,033	$ -	$ -
Sales taxes	500,390	-	250,196	750,586	1,819	250,195
Court	283,838	-	-	283,838	-	-
Leases	62,961	-	-	62,961	-	-
Other	22,369	-	263	22,632	1,253,947	-
Allowance	(74,910)	-	-	(74,910)	(7,588)	-
	$ 832,142	$ 9,539	$ 250,459	$ 1,092,140	$ 1,248,178	$ 250,195

Deferred Revenue: Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred revenue reported in governmental funds were as follows:

	Deferred Revenue
Major Funds	
Delinquent property taxes receivable (General Fund)	$ 49,222
Leases (General Fund)	60,551
Nonmajor Funds	
Delinquent property taxes receivable (General Obligation Debt Service Fund)	8,862
Deferred revenue (Park Board Fund)	550
Total Deferred Revenue for Governmental Funds	$ 119,185

C. Capital Assets

Capital assets are recorded at cost or, if donated, at fair market value at the date of receipt. In accordance with GASB-34, depreciation policies were adopted to include useful lives and classification by function. Infrastructure assets are listed at estimated or actual historical costs. General capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in governmental-type activities. Donated capital assets are valued at their estimated fair market value on the date of donation.

The City uses the following criteria to classify capital assets:

Useful life exceeds one year, and cost equals $2,000 or more for assets acquired by governmental funds. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation and amortization of capital assets are estimated using the straight-line method over estimated useful lives and are charged as an expense against operations. Accumulated depreciation and amortization are reported for governmental activities.

Capital asset activity for the primary government for the year ended September 30, 2023:

Governmental Activities:	**Beginning Balances**	**Increases**	**Decreases/ Reclasses**	**Ending Balances**
Capital assets, not being depreciated				
Land	$ 8,412,595	$ -	$ -	$ 8,412,595
Construction in progress	12,976,538	1,451,384	(2,606,381)	11,821,541
Total capital assets not being depreciated	21,389,133	1,451,384	(2,606,381)	20,234,136
Capital assets, being depreciated				
Buildings	3,686,857	122,068	-	3,808,925
Furniture, fixtures, tools, and equipment	1,346,447	61,858	-	1,408,305
Vehicles	3,240,360	308,337	(173,533)	3,375,164
Improvements other than buildings	1,596,374	-	-	1,596,374
Street and drainage improvements	18,037,904	-	2,606,381	20,644,285
Total capital assets being depreciated	27,907,942	492,263	2,432,848	30,833,053
Less accumulated depreciation	(15,433,365)	(1,224,471)	173,533	(16,484,303)
Total accumulated depreciation	(15,433,365)	(1,224,471)	173,533	(16,484,303)
Net capital assets being depreciated	12,474,577	(732,208)	2,259,315	14,348,750
Total Capital Assets	$33,863,710	$ 719,176	$ (347,066)	$ 34,582,886

Business-Type Activities	**Beginning Balances**	**Increases**	**Decreases/ Reclasses**	**Ending Balances**
Capital assets, not being depreciated				
Land	$ 20,142	$ -	$ -	$ 20,142
Construction in progress	3,484,179	439,338	(3,015,548)	907,969
Total capital assets not being depreciated	3,504,321	439,338	(3,015,548)	928,111
Capital assets, being depreciated				
Buildings and improvements	7,142	-	-	7,142
Equipment	511,585	579,729	-	1,091,314
Water and sewer system infrastructure	19,483,099	139,191	2,965,561	22,587,851
Total capital assets being depreciated	20,001,826	718,920	2,965,561	23,686,307
Less accumulated depreciation	(5,649,606)	(569,996)	-	(6,219,602)
Total accumulated depreciation	(5,649,606)	(569,996)	-	(6,219,602)
Net capital assets being depreciated	14,352,220	148,924	2,965,561	17,466,705
Total Capital Assets	$17,856,541	$ 588,262	$ (49,987)	$ 18,394,816

Component Unit (Type B) Activities	Beginning Balances	Increases	Decreases/ Reclasses	Ending Balances
Capital assets, not being depreciated				
Construction in progress	$ 6,066,718	$ 5,313	$ -	$ 6,072,031
Total capital assets not being depreciated	6,066,718	5,313	-	6,072,031
Total Capital Assets	$ 6,066,718	$ 5,313	$ -	$ 6,072,031

Depreciation expense was charged to governmental activities functions/programs of the primary government as follows:

General administration	$ 80,852
Fire	298,846
Streets	678,072
Parks and recreation	61,899
Public works	104,802
Total Governmental Activities Depreciation Expense	$ 1,224,471

D. Interfund Transfers

Interfund transfers are used to pay an allocation of general and administrative services, provide funds for debt service, contribute toward the cost of capital projects, and for other operational purposes.

	Transfers To Other Funds	Transfers From Other Funds	Net Transfers
Governmental Funds:			
General	$ 2,768,575	$ 17,690	
Capital Projects	-	$ 2,487,779	
Nonmajor	52,690	210,657	
Debt Service	-	21,000	
	$ 2,821,265	$ 2,737,126	$ (84,139)
Proprietary Funds:			
Water and Sewer	$ -	$ 84,139	$ 84,139
	$ -	$ 84,139	$ 84,139

E. Unearned Federal Grant Revenue

On March 11, 2021, the American Rescue Plan Act was signed into law and established the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund, which together make up the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program. In conjunction with this program, the City received $476,963 in the fiscal years 2021 and 2022. The total unearned federal grant revenue, as of September 30, 2023, is $354,362.

F. Long-term Debt

The City of Haslet issues general obligation bonds, certificates of obligation bonds, contractual obligation bonds, and notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. These issues are direct obligations and pledge the full faith and credit of the City.

Governmental Activities Debt Issuances:

Purpose	Original Amount	Year of Issue	Final Maturity	Interest Rate	Balance 9/30/2023
General Obligation Bonds	$ 2,335,000	2016	2032	2-4%	$ 1,210,000
Certificate of Obligations	$ 1,192,000	2017	2031	2.02%	679,000
Certificate of Obligations	$ 750,000	2018	2031	2.51%	481,000
Revenue Bonds - Type A	$ 1,875,000	2020	2040	4-5%	1,690,000
Certificate of Obligations	$ 4,515,468	2022	2043	4-5%	4,515,468
Total Governmental Activities Debt Issuances:					$ 8,575,468

Business-Type Activities Debt Issuances:

Purpose	Original Amount	Year of Issue	Final Maturity	Interest Rate	Balance 9/30/2023
Certificates of Obligations	$ 4,155,000	2015	2035	2.2-3%	$ 2,995,000
General Obligation Bonds	$ 1,560,000	2016	2032	2-4%	810,000
Certificate of Obligations	$11,559,533	2022	2043	4-5%	11,559,533
Note Payable - Sewer Vac Truck	$ 529,742	2023	2032	5.35%	469,848
Total Business-Type Activities Debt Issuances:					$15,834,381

Component Unit (Type B) Debt Issuances:

Purpose	Original Amount	Year of Issue	Final Maturity	Interest Rate	Balance 9/30/2023
Revenue Bonds	$ 3,735,000	2020	2040	4-5%	$ 3,370,000
Total Component Unit Debt Issuances:					$ 3,370,000

The annual requirements to amortize governmental activities debt issues outstanding on September 30, 2023, are as follows:

Governmental Activities:

	Bonds Payable		
Year	Principal	Interest	Total
2024	$ 317,000	$ 502,845	$ 819,845
2025	471,282	339,560	810,842
2026	490,304	322,054	812,358
2027	506,731	302,500	809,231
2028	528,158	282,210	810,368
2029-2033	2,561,027	1,078,833	3,639,860
2034-2038	1,858,713	613,145	2,471,858
2039-2043	1,842,253	210,270	2,052,523
Total	$ 8,575,468	$ 3,651,417	$ 12,226,885

The annual requirements to amortize business-type activities debt issues outstanding on September 30, 2023, are as follows:

Business Type Activities:

	Bonds Payable			Notes Payable		
Year	Principal	Interest	Total	Principal	Interest	Total
2024	$ 295,000	$ 1,033,551	$ 1,328,551	$ 42,000	$ 25,137	$ 67,137
2025	684,719	632,046	1,316,765	44,247	22,890	67,137
2026	712,696	603,810	1,316,506	46,614	20,523	67,137
2027	739,269	575,325	1,314,594	49,108	18,029	67,137
2028	770,842	545,307	1,316,149	51,736	15,401	67,137
2029-2033	4,262,974	2,203,159	6,466,133	236,143	32,407	268,550
2034-2038	3,861,287	1,278,155	5,139,442	-	-	-
2039-2043	4,037,746	497,330	4,535,076	-	-	-
Total	$ 15,364,533	$ 7,368,683	$ 22,733,216	$ 469,848	$ 134,387	$ 604,235

The annual requirements to amortize component unit (Type B) activities debt issues outstanding at September 30, 2023, are as follows:

Component Unit Activities:

	Bonds Payable		
Year	Principal	Interest	Total
2024	$ 135,000	$ 145,750	$ 280,750
2025	140,000	139,000	279,000
2026	150,000	132,000	282,000
2027	155,000	124,500	279,500
2028	165,000	116,750	281,750
2029-2033	940,000	458,500	1,398,500
2034-2038	1,155,000	248,200	1,403,200
2039-2040	530,000	32,000	562,000
Total	$ 3,370,000	$ 1,396,700	$ 4,766,700

During the year ended September 30, 2023, the following changes occurred in liabilities reported as governmental, business-type, and component unit activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Certificates of obligation	$ 1,284,000	$ 4,515,468	$ (124,000)	$ 5,675,468	$ 127,000
General obligation bonds	1,325,000	-	(115,000)	1,210,000	120,000
Revenue bonds - Type A	1,755,000	-	(65,000)	1,690,000	70,000
	4,364,000	4,515,468	(304,000)	8,575,468	317,000
Bond premium	324,286	303,201	(38,176)	589,311	38,176
Bond discount	(24,204)	-	1,777	(22,427)	(1,777)
Total OPEB liability	58,863	-	(19,581)	39,282	-
Net pension liability (asset)	(230,985)	551,911	-	320,926	-
Accrued compensated absences	55,281	61,214	(55,281)	61,214	61,214
Total Governmental Activities:	$ 4,547,241	$ 5,431,794	$ (415,261)	$ 9,563,774	$ 414,613

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Business-Type Activities:					
Certificates of obligation	$ 3,205,000	$ -	$ (210,000)	$ 2,995,000	$ 215,000
General obligation bonds	885,000	11,559,533	(75,000)	12,369,533	80,000
Notes payable	-	529,742	(59,894)	469,848	42,000
	4,090,000	12,089,275	(344,894)	15,834,381	337,000
Bond premium	172,789	776,190	(52,251)	896,728	52,251
Bond discount	(7,277)	-	693	(6,584)	(693)
Total OPEB liability	13,926	-	(4,279)	9,647	-
Net pension liability (asset)	(54,915)	133,726	-	78,811	-
Accrued compensated absences	18,625	23,911	(18,625)	23,911	23,911
Total Business-Type Activities:	$ 4,233,148	$ 13,023,102	$ (419,356)	$ 16,836,894	$ 412,469

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Component Unit (Type B):					
Certificates of obligation	$ 3,500,000	$ -	$ (130,000)	$ 3,370,000	$ 135,000
	3,500,000	-	(130,000)	3,370,000	135,000
Bond premium	358,604	-	(19,922)	338,682	19,922
Bond discount	(24,582)	-	1,366	(23,216)	(1,366)
Total Component Unit:	$ 3,830,056	$ -	$ (148,556)	$ 3,685,466	$ 153,556

III. RETIREMENT COMMITMENTS

Texas Municipal Retirement Systems

A. Plan Description

The City participates as one of 919 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas.

TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com. All eligible employees of the City are required to participate in TMRS.

B. Benefits

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state of statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefits in one of seven payment options.

Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

At the December 31, 2022, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	10
Inactive employees entitled to but not yet receiving benefits	34
Active employees	33
Total	77

C. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 9.74% and 8.63% in fiscal years 2022 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2023, were $177,692.

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The Total Pension Liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 11.5%, including inflation
Investment rate of return	6.75%

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for active, healthy retirees, and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females.

In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment of younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014, to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) the arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.7%
Core Fixed Income	6.0%	4.9%
Non-Core Fixed Income	20.0%	8.7%
Other Public and Private Markets	12.0%	8.1%
Real Estate	12.0%	5.8%
Hedge Funds	5.0%	6.9%
Private Equity	10.0%	11.8%
Total	100%	

Discount Rate:

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in the statute. Based on that assumption, the pension plan's Fiduciary Net Pet Position was projected to be available to make all projected future benefit payments of currently active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability:

	Total Pension Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at 12/31/2021	$ 4,328,325	$ 4,618,191	$ (289,866)
Changes for the year:			
Service Cost	271,497	-	271,497
Interest	298,479	-	298,479
Difference between expected and actual experience	80,724	-	80,724
Changes of assumptions	-	-	-
Contributions - employer	-	172,706	(172,706)
Contributions - employee	-	126,194	(126,194)
Net Investment income	-	(338,366)	338,366
Benefit payments, including refunds of emp. contributions	(84,312)	(84,312)	-
Administration expense	-	(2,917)	2,917
Other changes	-	3,480	(3,480)
Net Changes	566,388	(123,215)	689,603
Balance at 12/31/2022	$ 4,894,713	$ 4,494,976	$ 399,737

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$ 1,127,277	$ 399,737	$ (196,418)

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

E. Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended September 30, 2023, the City recognized pension expense of $251,811. At September 30, 2023, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between projected and actual investment earnings	$ 312,242	$ -
Difference between expected and actual economic experience	40,456	-
Contributions subsequent to the measurement date	129,216	-
Total	$ 481,914	$ -

$129,216 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	Deferred Outflow (Inflow) of Resources
2024	$ 49,036
2025	92,751
2026	80,893
2027	130,018
2028	-
Thereafter	-
	$ 352,698

Other Post-Employment Benefits (OPEB) Plan

A. Plan Description

Texas Municipal Retirement System ("TMRS") administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF"). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. The City has elected to participate in the SDBF for its active members including retirees. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded single-employer OPEB plan (i.e. no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75) for City reporting.

B. Benefits Provided

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered another post-employment benefit ("OPEB") and is a fixed amount of $7,500. At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	5
Inactive employees entitled to but not yet receiving benefits	6
Active employees	33
Total	44

C. Contributions

The member city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year.

Contribution rates to the SDBF for the City were 0.16% and 0.35% for fiscal years 2022 and 2023 respectively. The City's contributions to the SDBF for the year ended September 30, 2023, were $6,272 and were equal to the required contributions.

D. Total OPEB Liability

The City's Total OPEB Liability (TOL) was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The Total OPEB Liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.5% to 11.5%, including inflation
Discount rate	4.05%
Retiree's share of benefit-related costs	$0

Salary increases were based on a service-related table. Mortality rates for service retirees were based on the RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB. Mortality rates for disabled retirees were based on the RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions used in the December 31, 2021, valuation were developed primarily from an actuarial experience study of the four-year period from December 31, 2014 through December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019, actuarial valuation. The post mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013, valuation, TMRS adopted the Entry Age Normal Actuarial Cost Method.

The discount rate used to measure the Total OPEB Liability was 4.05% and was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

Changes in Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/2021	$ 72,789
Changes for the year:	
Service cost	9,014
Interest on Total OPEB Liability	1,417
Change of benefit terms	-
Difference between expected and actual experience	(4,731)
Changes of assumptions or other inputs	(29,019)
Benefit payments	(541)
Net changes	$ (23,860)
Balance at 12/31/2022	$ 48,929

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.05%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (3.05%) or 1 percentage-point higher (5.05%) than the current rate:

1% Decrease 3.05%	Current Discount Rate 4.05%	1% Increase 5.05%
$ 59,752	$ 48,929	$ 40,815

E. OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the City recognized OPEB expense of $6,272. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference in assumptions	$ -	$ (14,412)
Differences between expected and actual experience	-	(9,000)
Contributions made subsequent to measurement date	5,462	-
	$ 5,462	$ (23,412)

The $5,462 reported as deferred outflows of resources related to OPEB resulting from changes in assumptions and other inputs will reduce the Total OPEB liability during the year ending September 30, 2024.

The other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30:	Deferred Outflows (Inflows) of Resources
2024	$ (4,509)
2025	(4,666)
2026	(6,026)
2027	(6,309)
2028	(1,902)
Thereafter	-
	$ (23,412)

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, business interruption, errors and omissions, injuries to employees, employee health benefits, and other claims of various natures. The City participates in the Texas Municipal League Intergovernmental Risk Pool (Pool) which provides protection against risks of loss. Premiums are paid to the Pool which retains the risk of loss beyond the City's policy deductibles. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the City's general purpose financial statements. For the last three years, there have been no significant reductions of insurance coverage or insurance settlements in excess of insurance coverage.

B. Tax Abatement Disclosures

The City has entered into agreements with Amazon.com.kydc LLC (Amazon) under Chapter 380 of the Texas Local Government Code and as codified in Chapter 312 of the Texas Tax Code.

Under the terms of the twenty-five-year property and sales tax abatement agreement with Amazon, the City will make annual grant payments to Amazon equal to the sum of the sales tax grant and the property tax grant. These grant amounts range from 33% to 75% of the Sales Tax and Property Grant Base amounts as defined by the Agreement. The City abated $410,179 of Amazon taxes for the fiscal year 2023.

C. Public Improvement Districts

On June 6, 2016, the City Council passed Resolution No. 006-2016 approving and authorizing the creation of PID No. 3 for The North Glen Development (PID #3) in accordance with Chapter 372 of the Texas Tax Code. PID #3 consists of approximately 192.820 acres of land generally located on the south side of Blue Mound Road and west of FM 156, being a part of the James Rightly Survey, Abstract No. 1268, and the Henry Robertson Survey, Abstract No. 1259, Tarrant County, Texas, that was created to finance certain public improvement projects for the benefit of the property in PID #3. The City acts as the property owner's agent by collecting any special assessments tax collections and forwarding them to the developers. These collections have begun and are on time and complete at year-end.

On October 17, 2016, the City Council passed Resolution No. 019-2016 approving and authorizing the creation of PID No. 4 for The Regal Ridge Development (PID #4) in accordance with Chapter 372 of the Texas Tax Code. PID #4 consists of approximately 63.559 acres of land generally located south of Blue Mound Road and east of FM 156 in the City of Haslet, Tarrant County, Texas, that was created to finance certain public improvement projects for the benefit of the property in PID #4. The City acts as the property owner's agent by collecting any special assessments tax collections and forwarding them to the developers. These collections have begun and are on time and complete at year-end.

On February 21, 2017, the City Council passed Resolution No. 007-2017 approving and authorizing the creation of PID No. 5 for The Le Tara Ridge Development (PID #5) in accordance with Chapter 372 of the Texas Tax Code. PID #5 consists of approximately 265.610 acres of land generally located within the extraterritorial jurisdiction of the City of Haslet, Tarrant County, Texas, and being the same property generally located south of Avondale-Haslet Road and west of State Highway 156 that was created to finance certain public improvement projects for the benefit of the property in PID #5.

On August 1, 2019, City Council approved ordinance 021-2019 authorizing the issuance of the City of Haslet Texas Special Revenue Bonds series 2019 (Haslet Public Improvement District No. 5 Improvement Area #1 Project) in the original principal amount of $6,070,000. These bonds were authorized in order to finance the projects benefiting the PID #5 including certain roadway, water, wastewater, and drainage improvements. Proceeds of the bonds were deposited into trust accounts with Wilmington Trust, N.A. for the purpose of funding improvements in the projects described above. Wilmington Trust serves as trustee, for the benefit of the bondholders, for these funds as well as any and all other property or money of every name and nature, which is, from time-to-time hereafter by delivery or in writing of any kind, conveyed, pledged, assigned or transferred to Trustee. The City is not obligated in any manner for this special assessment debt, but merely acts as the property owner's agent in handling the debt service transactions by collecting any special assessments tax collections and forwarding them to the Trustee to forward to the bondholders. These collections have begun. Assessment collections for these Special Assessment Revenue Bonds are on time and complete at year-end. The total bond principal outstanding for the Haslet Texas Special Revenue Bonds Series 2019 (Haslet Public Improvement District No. 5 Improvement Area #1 Project) is $5,820,000 on September 30, 2023.

On October 18, 2021, City Council approved ordinance 029-2021 authorizing the issuance of the City of Haslet Texas Special Revenue Bonds Series 2021 (Haslet Public Improvement District No. 5 Improvement Area #2 Project) in the original principal amount of $8,000,000. These bonds were authorized in order to finance the projects benefiting the PID #5 including certain roadway, water, wastewater and drainage improvements. Proceeds of the bonds were deposited into trust accounts with Wilmington Trust, N.A. for the purpose of funding improvements in the projects described above. Wilmington Trust serves as trustee, for the benefit of the bond holders, for these funds as well as any and all other property or money of every name and nature, which is, from time-to-time hereafter by delivery or in writing of any kind, conveyed, pledged, assigned or transferred to Trustee. The City is not obligated in any manner for this special assessment debt, but merely acts as the property owner's agent in handling the debt service transactions by collecting any special assessments tax collections and forwarding them to the Trustee to forward to the bondholders. These collections have begun. Assessment collections for these Special Assessment Revenue Bonds are on time and complete at year-end. The total bond principal outstanding for the Haslet Texas Special Revenue Bonds Series 2021 (Haslet Public Improvement District No. 5 Improvement Area #2 Project) is $7,656,000 on September 30, 2023.

On February 6, 2017, the City Council passed Resolution No. 005-2017 approving and authorizing the creation of PID No. 6 for The Caraway Development (PID #6) in accordance with Chapter 372 of the Texas Tax Code. PID #6 consists of approximately 265.610 acres of land generally located within the extraterritorial jurisdiction of the City of Haslet, Tarrant County, Texas, and being the same property generally located south of Avondale-Haslet Road and west of State Highway 156 that was created to finance certain public improvement projects for the benefit of the property in PID #6. The City acts as the property owner's agent by collecting any special assessments tax collections and forwarding them to the developers. These collections have begun and are on time and complete at year-end.

On January 13, 2020, the City Council passed Resolution No. 001-2020 approving and authorizing the creation of PID No. 7 for The Watercress Development (PID #7) in accordance with Chapter 372 of the Texas Tax Code. PID #7 consists of approximately 154.977 acres of land located entirely within the corporate boundaries of the City of Haslet, Tarrant County, Texas and generally located south of Blue Mound Road, west of Harmon Road, east of FM 156 (Haslet County Line Road), and north of Bayne Road that was created to finance certain public improvement projects for the benefit of the property in PID #7. The City will act as the property owner's agent by collecting any special assessments tax collections and forwarding to the developers. These collections have begun and are on time and complete at year-end.

On March 1, 2021, the City Council passed Resolution No. 003-2021 authorizing the establishment of Public Improvement District No. 8 for The Sweetgrass Development (PID #8) in accordance with Chapter 372 of the Texas Tax Code. PID #8 consists of approximately 262.220 acres of land located entirely within the corporate boundaries of the City of Haslet, Tarrant County, Texas that were created to finance certain public improvement projects for the benefit of the property in PID #8. The City will act as the property owner's agent by collecting any special assessments tax collections and forwarding them to the developers. These collections have begun and are on time and complete at year-end.

D. Subsequent Events

Management has evaluated all events or transactions that occurred after September 30, 2023, up through the date of the auditor's report date. This is the date the financial statements were available for issuance. Management has identified no subsequent events that would require disclosure.

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REQUIRED SUPPLEMENTARY INFORMATION

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City of Haslet, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND - BUDGET TO ACTUAL
For the Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Licenses and permits	$ 1,527,900	$ 1,853,400	$ 1,692,710	$ (160,690)
Sales tax	1,964,860	2,929,100	2,830,494	(98,606)
Property tax, penalties, and interest	3,021,850	3,236,802	3,280,681	43,879
Intergovernmental	6,890	6,890	17,690	10,800
Fines	140,000	140,000	71,693	(68,307)
Franchise Tax	331,000	416,515	430,220	13,705
Miscellaneous	48,200	48,200	67,688	19,488
Fire Protection	127,000	127,000	144,500	17,500
Interest	46,030	336,950	337,029	79
Gas royalties	20,000	20,000	22,183	2,183
Contributions	400	400	-	(400)
Total Revenues	7,234,130	9,115,257	8,894,888	(220,369)
Expenditures				
Current:				
Fire	1,749,777	1,795,356	1,502,588	292,768
Public safety	1,303,211	995,083	995,082	1
Planning	139,300	289,300	624,208	(334,908)
Public works	369,093	416,928	562,367	(145,439)
Administration	1,062,549	833,235	337,213	496,022
Library	413,337	413,337	327,020	86,317
Parks	472,466	478,766	296,998	181,768
Finance	285,893	288,197	253,418	34,779
Non-departmental	743,495	744,119	210,879	533,240
Court	206,271	206,271	191,777	14,494
City secretary	185,890	185,890	176,735	9,155
Economic development	43,200	43,200	150,013	(106,813)
Streets	155,500	155,500	42,863	112,637
Miscellaneous	530	530	-	530
Total Expenditures	7,130,512	6,845,712	5,671,161	1,174,551
Excess (Deficiency) of Revenues Over (Under) Expenditures	103,618	2,269,545	3,223,727	954,182
Other Financing Sources (Uses)				
Transfers in	-	-	17,690	17,690
Transfers out	(2,623,779)	(2,754,048)	(2,768,575)	(14,527)
Total Other Financing Sources (Uses)	(2,623,779)	(2,754,048)	(2,750,885)	3,163
Net Change in Fund Balances	(2,520,161)	(484,503)	472,842	957,345
Beginning Fund Balances	10,491,348	10,491,348	10,491,348	
Ending Fund Balances	$ 7,971,187	$ 10,006,845	$ 10,964,190	

City of Haslet, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS -
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS) -
Last Ten Measured Years

	2022	2021	2020	2019
Total pension liability				
Service Cost	$ 271,497	$ 278,059	$ 273,722	$ 247,948
Interest (on the Total Pension Liability)	298,479	268,836	233,954	201,063
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	80,724	(41,801)	47,911	70,202
Change of assumptions	-	-	-	10,566
Benefit payments, including refunds of employee contributions	(84,312)	(40,983)	(40,983)	(69,798)
Net Change in Total Pension Liability	566,388	464,111	514,604	459,981
Total Pension Liability - Beginning	4,328,325	3,864,214	3,349,610	2,889,629
Total Pension Liability - Ending (a)	$ 4,894,713	$ 4,328,325	$ 3,864,214	$ 3,349,610
Plan Fiduciary Net Position				
Contributions - Employer	172,706	150,783	151,219	137,767
Contributions - Employee	126,194	120,075	122,588	109,711
Net Investment Income	(338,366)	507,738	258,272	431,913
Benefit payments, including refunds of employee contributions	(84,312)	(40,983)	(40,983)	(69,798)
Administrative Expense	(2,917)	(2,342)	(1,667)	(2,434)
Other	3,480	16	(65)	(72)
Net Change in Plan Fiduciary Net Position	(123,215)	735,287	489,364	607,087
Plan Fiduciary Net Position - Beginning	4,618,191	3,882,904	3,393,540	2,786,453
Plan Fiduciary Net Position - Ending (b)	$ 4,494,976	$ 4,618,191	$ 3,882,904	$ 3,393,540
Net Pension Liability - Enging (a) - (b)	$ 399,737	$ (289,866)	$ (18,690)	$ (43,930)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.83%	106.70%	100.48%	101.31%
Covered Payroll	1,802,771	1,715,354	1,751,258	1,567,307
Net Pension Liability as a Percentage of Covered Payroll	22.17%	-16.90%	-1.07%	-2.80%

NOTES TO SCHEDULE:
This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is presented.

2018	2017	2016	2015	2014
$ 232,704	$ 210,594	$ 200,128	$ 152,689	$ 127,691
178,316	154,325	135,844	120,684	120,806
-	-	-	-	-
(32,005)	12,576	(36,328)	(24,699)	(209,303)
-	-	-	44,306	-
(29,514)	(36,728)	(25,460)	(31,038)	(75,829)
349,501	340,767	274,184	261,942	(36,635)
2,540,128	2,199,361	1,925,177	1,663,235	1,699,870
$ 2,889,629	$ 2,540,128	$ 2,199,361	$ 1,925,177	$ 1,663,235
125,816	117,399	102,768	95,444	69,789
102,384	93,419	88,051	69,090	58,157
(80,112)	304,266	128,549	2,606	92,819
(29,514)	(36,728)	(25,460)	(31,038)	(75,829)
(1,545)	(1,575)	(1,451)	(1,587)	(969)
(81)	(81)	(78)	(78)	(80)
116,948	476,700	292,379	134,437	143,887
2,669,505	2,192,805	1,900,426	1,765,989	1,622,102
$ 2,786,453	$ 2,669,505	$ 2,192,805	$ 1,900,426	$ 1,765,989
$ 103,176	$ (129,377)	$ 6,556	$ 24,751	$ (102,754)
96.43%	105.09%	99.70%	98.71%	106.18%
1,462,624	1,334,560	1,257,874	987,000	830,821
7.05%	-9.69%	0.52%	2.51%	-12.37%

City of Haslet, Texas

SCHEDULE OF CONTRIBUTIONS TO PENSION PLAN -
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)-
Last Ten Fiscal Years

	2023	2022	2021	2020
Actuarially Determined Contribution	$ 183,964	$ 163,936	$ 152,450	$ 143,571
Contributions in relation to the actuarially determined contribution	183,964	163,936	152,450	143,571
Covered payroll	$ 2,066,597	$ 1,748,486	$ 1,743,084	$ 1,629,299
Contributions as a percentage of covered payroll	8.90%	9.38%	8.75%	8.81%

Valuation Date:	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age, Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market, market value recognition method, 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes	There were no benefit changes during the year

NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS:

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is presented .

City of Haslet, Texas

SCHEDULE OF CONTRIBUTIONS TO PENSION PLAN -
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)-
Last Ten Fiscal Years

2019	2018	2017	2016	2015
$ 135,187	$ 124,490	$ 115,524	$ 105,969	$ 84,476
135,187	124,490	115,524	105,969	84,476
$ 1,542,546	$ 1,439,743	$ 1,310,657	$ 1,243,086	$ 923,673
8.76%	8.65%	8.81%	8.52%	9.15%

City of Haslet, Texas

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS -
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS) -

Last Ten Measured Years

	2022	2021	2020
Total OPEB liability			
Service Cost	$ 9,014	$ 7,376	$ 6,129
Interest (on the Total OPEB Liability)	1,417	1,355	1,573
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(4,731)	(2,242)	(7,019)
Changes in assumptions or other imputs	(29,019)	2,605	9,662
Benefit payments	(541)	(686)	(175)
Net Change in Total OPEB Liability	(23,860)	8,408	10,170
Total OPEB Liability - Beginning	72,789	64,381	54,211
Total OPEB Liability - Ending (a)	$ 48,929	$ 72,789	$ 64,381
Covered Payroll	$ 1,802,771	$ 1,715,354	$ 1,751,258
Total OPEB Liability as a Percentage of Covered Payroll	2.71%	4.24%	3.68%

NOTES TO SCHEDULE OF TOTAL OPEB LIABILITY

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is presented .

2019	2018	2017
$ 3,918	$ 4,388	$ 3,470
1,563	1,309	1,179
-	-	-
(1,801)	120	-
10,427	-	3,386
(157)	(16)	(133)
13,950	5,801	7,902
40,261	37,416	29,514
$ 54,211	$ 43,217	$ 37,416
$ 1,567,307	$ 1,462,624	$ 1,334,560
3.46%	2.95%	2.80%

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Note A: Budgetary Process

The official budget was prepared for adoption for the General Fund and the Economic Development Corporation (Type A). The following procedures are followed in establishing the budgetary data reflected in the required supplementary information:

a. Prior to the beginning of the fiscal year, the City prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.

b. A meeting of the City Council is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must have been given.

c. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the City Council.

d. Once a budget is approved, it can be amended only by approval of a majority of the members of the City Council.

e. As required by law, such amendments are made before the fact, are reflected in the official minutes of the City Council and are not made after fiscal year end.

f. All budget appropriations lapse at year end.

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OTHER SUPPLEMENTARY INFORMATION

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Combining Statements, Individual Nonmajor Funds, and Agency Funds as Supplementary Information

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specified purposes.

- Park Board Fund – to account for contributions used for park improvements.
- Municipal Court Security Fund – to account for use of municipal court fees assessed for providing security for municipal court.
- Municipal Court Technology Fund – to account for use of municipal court fees assessed for municipal court technology improvements.
- City Parks Improvements Fund – to account for development and impact fees used for park improvements.
- Library Board Fund – to account for contributions used for Library operations and improvements.
- Library Grant Fund – to account for contributions and grants used for Library improvement.
- Insurance Trust Fund – to account for insurance trust funds for the city.
- Coronavirus Grant Fund – to account for coronavirus grant relief funds.
- Hotel/Motel Occupancy Tax Fund – to account for hotel/motel taxes remitted to the city.
- Special Projects Fund – to account for special project funds for the city.
- TIRZ #1 Fund – to account for activity of the TIRZ #1 for the city.

Debt Service Fund

- General Obligation Debt Service Fund is used to account for the payment of principal and interest on general long-term bonded debt of the City. Payments of principal and interest on equipment, financing used in general activities of the City and other financing are serviced by the General Fund.

Capital Projects Fund

- C. O. Capital Projects Fund – accounts for use of transfers from other funds used for various construction projects.
- Capital Projects Fund – accounts for the use of funds for various city construction projects.

PID Agency Funds

- To account for the special assessments, bond proceeds, and related debt associated with the bonds issued by the City as an agent for the Public Improvement Districts (PID) #3 - #8.

City of Haslet, Texas

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2023

	Total Special Revenue Funds	EDC (Type A) Fund	CO Capital Projects Fund	Total Nonmajor Governmental Funds
Assets				
Cash and investments	$ 3,047,175	$ 1,300,037	$ 33,843	$ 4,381,055
Receivables (net):				
Sales taxes	125,098	125,098	-	250,196
Other	-	263	-	263
Total Assets	3,172,273	1,425,398	33,843	4,631,514
Liabilities				
Accounts payable	870	106	1,371	2,347
Unearned revenue - federal grant	354,362	-	-	354,362
Total Liabilities	355,232	106	1,371	356,709
Deferred Inflows of Resources				
Deferred revenue	550	-	-	550
Total Deferred Inflows of Resources	550	-	-	550
Fund Balances				
Restricted	148,871	1,425,292	-	1,574,163
Committed	2,668,615	-	32,472	2,701,087
Unassigned	(995)	-	-	(995)
Total Fund Balances	2,816,491	1,425,292	32,472	4,274,255
Total Liabilities, Deferred Inflows, and Fund Balances	$ 3,172,273	$ 1,425,398	$ 33,843	$ 4,631,514

City of Haslet, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2023

Revenues	Total Special Revenue Funds	EDC (Type A) Fund	CO Capital Projects Fund	Total Nonmajor Governmental Funds
Contributions	$ 463,838	$ -	$ -	$ 463,838
Sales tax	707,050	707,050	-	1,414,100
Park development	216,469	-	-	216,469
Miscellaneous	25,619	-	-	25,619
Interest	51,906	26,324	1,163	79,393
Fines	3,199	-	-	3,199
Grant	73,395	-	96,436	169,831
Hotel occupancy tax	29,058	-	-	29,058
Total Revenues	1,570,534	733,374	97,599	2,401,507
Expenditures				
Current:				
Parks	62,042	-	-	62,042
General government	74,390	-	-	74,390
Library	8,329	-	-	8,329
Court	634	-	-	634
Development	-	2,324	-	2,324
Capital outlay	498,272	3,407	235,604	737,283
Debt service:				
Principal	-	65,000	-	65,000
Interest	-	76,400	-	76,400
Total Expenditures	643,667	147,131	235,604	1,026,402
Revenues Over Expenditures	926,867	586,243	(138,005)	1,375,105
Other Financing Sources (Uses)				
Transfers in	80,388	-	130,269	210,657
Transfers (out)	-	(52,690)	-	(52,690)
Total Other Financing Sources (Uses)	80,388	(52,690)	130,269	157,967
Net Change in Fund Balances	1,007,255	533,553	(7,736)	1,533,072
Beginning Fund Balances	1,809,236	891,739	40,208	2,741,183
Ending Fund Balances	$ 2,816,491	$ 1,425,292	$ 32,472	$ 4,274,255

City of Haslet, Texas

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

As of September 30, 2023

	Park Board Fund	Municipal Court Security	Municipal Court Technology	City Parks Improvements	Library Board
Assets					
Cash and investments	$ 184,796	$ 29,763	$ 14,668	$ 589,923	$ 14,589
Receivables	-	-	-	-	-
Total Assets	184,796	29,763	14,668	589,923	14,589
Liabilities					
Accounts payable	350	-	-	520	-
Unearned revenue - federal grant	-	-	-	-	-
Total Liabilities	350	-	-	520	-
Deferred Inflows of Resources					
Deferred revenue	550	-	-	-	-
Total Deferred Inflows of	550	-	-	-	-
Fund Balances					
Restricted	-	29,763	14,668	-	-
Committed	183,896	-	-	589,403	14,589
Unassigned	-	-	-	-	-
Total Fund Balances	183,896	29,763	14,668	589,403	14,589
Total Liabilities, Deferred Inflows, and Fund Balances	$ 184,796	$ 29,763	14,668	$ 589,923	$ 14,589

Library Grant	Insurance Trust Fund	Coronavirus Grant Fund	Hotel/Motel Occupancy Tax Fund	Street Maintenance Fund	TIRZ #1 Fund	Total Special Revenue Funds
$ 3,945	$ 10,881	$ 353,367	$ 93,559	$ 1,030,877	$ 720,807	$ 3,047,175
-	-	-	-	125,098	-	125,098
3,945	10,881	353,367	93,559	1,155,975	720,807	3,172,273
-	-	-	-	-	-	870
-	-	354,362	-	-	-	354,362
-	-	354,362	-	-	-	355,232
-	-	-	-	-	-	550
-	-	-	-	-	-	550
-	10,881	-	93,559	-	-	148,871
3,945	-		-	1,155,975	720,807	2,668,615
-	-	(995)	-	-	-	(995)
3,945	10,881	(995)	93,559	1,155,975	720,807	2,816,491
$ 3,945	$ 10,881	$ 353,367	$ 93,559	$ 1,155,975	$ 720,807	3,172,273

City of Haslet, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2023

	Park Board Fund	Municipal Court Security	Municipal Court Technology	City Parks Improvements	Library Board	Library Grant
Revenues						
Park development fees	$ -	$ -	$ -	$ 216,469	$ -	$ -
Sales tax	-	-	-	-	-	-
Miscellaneous	25,619	-	-	-	-	-
Fines	-	1,624	1,575	-	-	-
Interest	6,653	767	367	20,800	392	-
Contributions	-	-	-	-	-	-
Grant	-	-	-	-	-	-
Hotel occupancy tax	-	-	-	-	-	-
Total Revenues	32,272	2,391	1,942	237,269	392	-
Expenditures						
Current:						
Parks	62,042	-	-	-	-	-
Court	-	634	-	-	-	-
Library	-	-	-	-	6,931	1,398
General government	-	-	-	-	-	-
Capital outlay	-	-	-	498,272	-	-
Total Expenditures	62,042	634	-	498,272	6,931	1,398
Revenues Over Expenditures	(29,770)	1,757	1,942	(261,003)	(6,539)	(1,398)
Other Financing Sources (Uses)						
Transfers in (out)	71,394	-	-	-	8,994	-
Total Other Financing (Uses)	71,394	-	-	-	8,994	-
Net Change in Fund Balances	41,624	1,757	1,942	(261,003)	2,455	(1,398)
Beginning Fund Balances	142,272	28,006	12,726	850,406	12,134	5,343
Ending Fund Balances	$ 183,896	$ 29,763	14,668	$ 589,403	$ 14,589	$ 3,945

Insurance Trust Fund	Coronavirus Grant Fund	Hotel/Motel Occupancy Tax Fund	Special Projects Fund	Street Maintenance Fund	TIRZ #1 Fund	Total Special Revenue Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ 216,469
-	-	-	-	707,050	-	707,050
-	-	-	-	-	-	25,619
-	-	-	-	-	-	3,199
-	-	2,137	-	20,790	-	51,906
-	-	-	-	-	463,838	463,838
-	73,395	-	-	-	-	73,395
-	-	29,058	-	-	-	29,058
-	73,395	31,195	-	727,840	463,838	1,570,534
-	-	-	-	-	-	62,042
-	-	-	-	-	-	634
-	-	-	-	-	-	8,329
-	74,390	-	-	-	-	74,390
-	-	-	-	-	-	498,272
-	74,390	-	-	-	-	643,667
-	(995)	31,195	-	727,840	463,838	926,867
-	-	-	-	-	-	80,388
-	-	-	-	-	-	80,388
-	(995)	31,195	-	727,840	463,838	1,007,255
10,881	-	62,364	-	428,135	256,969	1,809,236
$ 10,881	$ (995)	$ 93,559	$ -	$ 1,155,975	$ 720,807	$ 2,816,491

City of Haslet, Texas

COMMUNITY AND ECONOMIC DEVELOPMENT CORPORATION TYPE B
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT
As of September 30, 2023

Assets		
Cash and cash equivalents	$	2,237,264
Receivables, net		250,195
Inventory		778,287
Total Assets		3,265,746
Liabilities		
Accounts payable		219
Accrued liabilities		12,234
Customer deposits		2,250
Total Liabilities		14,703
Fund Balances		
Unassigned		3,251,043
Total Fund Balances		3,251,043
Total Liabilities and Fund Balances	$	3,265,746

City of Haslet, Texas

COMMUNITY AND ECONOMIC DEVELOPMENT CORPORATION TYPE B
RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION DISCRETELY PRESENTED COMPONENT UNIT
As of September 30, 2023

Fund Balances - Discretely Presented Component Unit	$	3,251,043
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not reported in the funds.		6,072,031
Long-term debt for the fiscal year is included in the Statement of Net Position.		(3,685,464)
Payables for bond interest, which are not due in the current period, are not reported in the funds.		(6,007)
Net Position of Discretely Presented Component Unit - Statement of Net Position	$	5,631,603

City of Haslet, Texas

COMMUNITY AND ECONOMIC DEVELOPMENT CORPORATION TYPE B
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES - DISCRETELY PRESENTED COMPONENT UNIT
For the Year Ended September 30, 2023

Revenues		
Taxes:		
Sales	$	1,414,101
Lease income		32,230
Interest revenue		43,382
Other income		3,000
Total Revenues		1,492,713
Expenditures		
Current:		
Development services		92,247
Debt service:		
Principal retirement		130,000
Interest expense and fiscal charges		152,750
Capital outlay		5,313
Total Expenditures		380,310
Revenues Over Expenditures		1,112,403
Net Change in Fund Balances		1,112,403
Beginning Fund Balances		2,138,640
Ending Fund Balances	$	3,251,043

City of Haslet, Texas

COMMUNITY AND ECONOMIC DEVELOPMENT CORPORATION TYPE B
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED
For the Year Ended September 30, 2023

Net Change in Fund Balances - Discretely Presented Component Unit	$	1,112,403
Capital outlays are not reported as expenses in the SOA.		5,313
Expenses related to long term debt activity is not reported as expenses in the SOA.		148,859
Pension and OPEB expenses relating to GASB 68/75 are recorded in the SOA but not in the funds.		(2,120)
Change in Net Position of the Discretely Presented Component Unit	$	1,264,455

City of Haslet, Texas

COMMUNITY AND ECONOMIC DEVELOPMENT CORPORATION TYPE B
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET TO ACTUAL
For the Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Sales tax	$ 976,721	$ 1,463,850	$ 1,414,101	$ (49,749)
Lease income	8,400	8,400	32,230	23,830
Interest	41,000	41,000	43,382	2,382
Other income	-	3,000	3,000	-
Total Revenues	1,026,121	1,516,250	1,492,713	(23,537)
Expenditures				
Economic development	341,590	349,090	92,247	256,843
Debt service:				
Principal retirement	130,000	130,000	130,000	-
Interest and fiscal charges	152,250	152,250	152,750	(500)
Capital outlay	-	5,400	5,313	87
Total Expenditures	623,840	636,740	380,310	256,430
Excess (Deficiency) of Revenues Over (Under) Expenditures	402,281	879,510	1,112,403	232,893
Net Change in Fund Balances	402,281	879,510	1,112,403	$ 232,893
Beginning Fund Balances	2,138,640	2,138,640	2,138,640	
Ending Fund Balances	$ 2,540,921	$ 3,018,150	$ 3,251,043	

City of Haslet, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ECONOMIC DEVELOPMENT CORPORATION TYPE A - BUDGET TO ACTUAL
For the Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Sales tax	$ 488,364	$ 731,925	$ 707,050	$ (24,875)
Interest	4,000	23,000	26,324	3,324
Total Revenues	492,364	754,925	733,374	(21,551)
Expenditures				
Economic development	50,375	50,375	-	50,375
Capital outlay	-	-	3,407	(3,407)
Debt service:				
Principal	65,000	65,000	65,000	-
Interest	76,400	76,400	76,400	-
Total Expenditures	191,775	191,775	144,807	46,968
Excess (Deficiency) of Revenues Over (Under) Expenditures	300,589	563,150	588,567	25,417
Other Financing Sources (Uses)				
Transfers out	(41,890)	(41,890)	(52,690)	(10,800)
Total Other Financing Sources (Uses)	(41,890)	(41,890)	(52,690)	(10,800)
Net Change in Fund Balances	258,699	521,260	535,877	$ 14,617
Beginning Fund Balances	891,739	891,739	891,739	
Ending Fund Balances	$ 1,150,438	$ 1,412,999	$ 1,427,616	

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COMPLIANCE SECTION

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the City Council
City of Haslet, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Haslet, Texas (the City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 20, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Tom Bean, Texas
May 20, 2024